



# भारत का राजपत्र The Gazette of India

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EXTRAORDINARY

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PART II — Section 2

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bill was introduced in the Lok Sabha on the 13th December, 2013:—

BILL NO. XLIV OF 2013

*A Bill to provide for the establishment of Coal Regulatory Authority to regulate and conserve resources in the coal sector, protect the interests of consumers of coal and producers of coal and for matters connected therewith or incidental thereto.*

Be it enacted by Parliament in the Sixty-fourth Year of the Republic of India as follows:—

### CHAPTER I

#### PRELIMINARY

1. (1) This Act may be called the Coal Regulatory Authority Act, 2013.

Short title  
and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act.

2. (1) In this Act, unless the context otherwise requires,—

Definitions.

(a) “Appellate Tribunal” means the Appellate Tribunal referred to in section 21;

(b) “Authority” means the Coal Regulatory Authority established under sub-section (1) of section 4;

(c) “Chairperson” means the Chairperson of the Authority appointed under sub-section (3) of section 4;

(d) “captive mine” means a mine authorised for production and consumption of coal for specified end use;

(e) “coal” includes anthracite, bituminous coal, lignite, peat and any other form of carbonaceous matter sold or marketed as coal and coke;

(f) “coal mine” means a mine in which there exist one or more seams of coal;

(g) “company” means a company formed and registered under the Companies Act, 1956 and includes any body incorporated or established under a Central Act or a State Act; 1 of 1956.

(h) “consumer” means any person who mines or procures coal for his own use;

(i) “entity” means a person, association of persons or a body of individuals, whether incorporated or not or artificial juridical person, firm, company or co-operative society, by whatever name called or referred to, engaged in the business of coal, coal mines and washeries;

(j) “Member” means a Member of the Authority appointed under sub-section (3) of section 4;

(k) “mine” shall have the meaning assigned to it in clause (j) of sub-section (1) of section 2 of the Mines Act, 1952; 35 of 1952.

(l) “mine closure plan” means a mine area rehabilitation process to create self-sustained ecosystem of the area with a view to restore physical, chemical and biological quality of the area which is disturbed by the mining;

(m) “mining lease” means a lease granted for the purpose of undertaking mining operations and includes a sub-lease granted for such purpose under section 5 of the Mines and Minerals (Development and Regulation) Act, 1957 and the Coal Bearing Areas (Acquisition and Development) Act, 1957; 67 of 1957.  
20 of 1957.

(n) “mining operations” means any operation undertaken for the purpose of mining any mineral;

(o) “notification” means a notification published in the Official Gazette;

(p) “prescribed” means prescribed by rules made under this Act;

(q) “regulations” means regulations made by the Authority under this Act;

(r) “Secretary” means the Secretary of the Authority;

(s) “supply” in relation to coal, means the sale of coal to a consumer and a trader;

(t) “trading” means purchase of coal for resale thereof and the expression “trade” shall be construed accordingly;

(u) “washing” means such process or combination of processes as may be approved in this behalf by the Central Government or the Authority by which the whole or any part of the sale and mineral matter found in the coal is removed therefrom.

(2) Words and expressions used herein and not defined in this Act but defined in the Mines Act, 1952; the Coal Bearing Areas (Acquisition and Development) Act, 1957; the Coal Mines (Taking Over of Management) Act, 1973; the Coal Mines (Nationalisation) Act, 1973; the Mines and Minerals (Development and Regulation) Act, 1957; the Coal Mines (Conservation and Development) Act, 1974 shall have the meanings, respectively, assigned to them in those Acts. 35 of 1952.  
20 of 1957.  
15 of 1973.  
26 of 1973.  
67 of 1957.  
28 of 1974.

## CHAPTER II

## PRICING OF COAL

3. (1) The Authority shall, subject to the policy guidelines issued by the Central Government in this behalf, specify by regulations the principles and methodologies for determination of price of raw coal and washed coal and any other by-product generated during the process of washing of coal for all coal producers, including captive coal producers, and in doing so, be guided by the following, namely:—

Principles for determination of price.

(a) grade and quality of coal;

(b) the mining operation, production and supply to be based on commercial principles;

(c) the factors that would encourage industry best practices, competition, efficiency, economical use of resources, good performance and optimum investments;

(d) safeguarding of consumers' interest and at the same time, recovery of the cost of coal including a reasonable return to coal mine developer;

(e) maintenance of uninterrupted supply of coal to consumers that would promote production and supply of goods and services;

(f) the principles of rewarding efficiency in performance;

(g) multiyear price determination principles;

(h) gross calorific value or grade of coal with certain adjustment for quality, such as moisture content, volatile matter, ash, size and any other relevant parameters as may be determined by the Authority.

(2) The individual coal producers shall, in accordance with the principles and methodologies as specified by the Authority in sub-section (1), determine the price of raw coal and washed coal and any by-product generated during the process of washing coal.

(3) The price of coal produced by captive mines in accordance with the principles and methodologies as specified under sub-section (1) shall provide the basis for determination of—

(a) the amount of royalty payable to the State Government;

(b) the price of coal declared as surplus by the Central Government.

(4) The Central Government may direct the Authority to determine the principles and methodologies for determination of price of coal in any other case not provided for in the regulations specified in sub-section (1).

## CHAPTER III

## COAL REGULATORY AUTHORITY

4. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Act, an Authority to be called the Coal Regulatory Authority.

Establishment and incorporation of Authority.

(2) The Authority shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued.

(3) The Authority shall consist of a Chairperson and the following four Members, namely:—

(a) one Member (Legal);

- (b) one Member (Technical);
- (c) one Member (Finance); and
- (d) one Member (consumer interest),

to be appointed, by notification, by the Central Government.

(4) The Authority shall designate any one of the members also as Member (Administration) who shall exercise such financial and administrative powers as may be vested in him under the regulations made by the Authority.

(5) The head office of the Authority shall be at such place as the Central Government may, by notification, determine.

(6) The Authority may, in consultation with the Central Government, establish offices at other places in India.

Qualifications  
for  
appointment  
of  
Chairperson  
and  
Members.

**5. (1)** A person shall not be qualified for appointment as the Chairperson unless he has adequate knowledge and experience of not less than fifteen years in dealing with problems relating to mining, law, economics, commerce, finance, management or public administration:

Provided that a person who is or has been in the service of Government shall not be appointed as Chairperson unless he is holding or has held the post not below the rank of Secretary to the Government of India.

(2) A person shall not be qualified for appointment as Member (Legal) unless he is or has been a member of the Indian Legal Service and has held Grade I post of that service for a period of not less than seven years or who has held a civil judicial post for at least fifteen years in the territory of India or who is qualified to be a Judge of a High Court.

(3) A person shall not be qualified for appointment as a Member (Technical) unless he possesses a Bachelor's degree in engineering and has the experience of not less than fifteen years in coal mining industry.

(4) A person shall not be qualified for appointment as a Member (Finance) unless he possesses a Master's degree in Business Administration with Finance or equivalent and has the experience of not less than fifteen years in the field of financial matters.

(5) A person shall not be qualified for appointment as a Member (consumer interest) unless he has the experience of not less than fifteen years in sectors relating to power, steel or cement.

(6) The Chairperson, or any other Member of the Authority, shall not hold any other office during the term of his office.

Selection  
Committee.

**6. (1)** The Central Government shall, for the purpose of selecting the Chairperson and Members of the Authority, and for preparing a panel of persons to be considered for appointment as Technical Member of the Appellate Tribunal, constitute a Selection Committee consisting of—

- (a) Cabinet Secretary – Chairperson;
- (b) the Secretary to the Government of India, Ministry of Coal—Member;
- (c) the Secretary to the Government of India, Ministry of Power—Member;
- (d) the Secretary to the Government of India, Ministry of Law and Justice—Member;
- (e) the Chairman of the Public Enterprises Selection Board—Member;
- (f) a person nominated by the Central Government from amongst directors or heads or Professors of a reputed engineering or management Institute—Member.

(2) The Central Government shall, as soon as possible from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or a Member and six months before the superannuation or end of tenure of any Chairperson or Member, make a reference to the Selection Committee for filling up of the vacancy.

(3) The Selection Committee shall recommend a panel of a minimum of two names for every vacancy referred to it.

(4) No appointment of the Chairperson or Members shall be invalid merely by reason of any vacancy in the Selection Committee.

7. (1) Before appointing any person as the Chairperson or a Member, the Central Government shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as Chairperson or other Member.

Term of office and conditions of service of Chairperson and Members.

(2) The Chairperson or Member shall hold office for a period of five years, from the date on which he enters upon his office or till he attains the age of sixty-five years whichever is earlier, but shall not be eligible for re-appointment as such.

*Explanation.*—For purposes of this section, appointment of a Member as the Chairperson shall not be deemed to be re-appointment.

(3) The salaries and allowances payable to, and the other terms and conditions of service of, the Chairperson and Members shall be such as may be prescribed:

Provided that neither the salary and allowances nor the other terms and conditions of service of the Chairperson or a Member shall be varied to his disadvantage after appointment.

(4) The Chairperson and every Member shall, before entering upon his office, make and subscribe to an oath of office and secrecy in such manner and before such authority as may be prescribed.

8. The Chairperson shall have the powers of general superintendence and directions in the conduct of the affairs of the Authority and shall, in addition to presiding over the meetings of the Authority, exercise and discharge such other powers and functions of the Authority, as may be assigned to him by the Central Government.

Powers of Chairperson.

9. The Chairperson or a Member may resign his office by giving notice thereof in writing to the Central Government and on such resignation being accepted, the Chairperson or such Member shall be deemed to have vacated his office.

Resignation by Chairperson and Members.

10. The Chairperson or a Member, upon ceasing to hold office as such, shall—

(a) be ineligible for further employment under the Central Government or any State Government; and

(b) not accept any commercial employment for a period of two years from the date he ceases to hold such office except with previous approval of the Central Government.

Restriction on employment after cessation of office as Chairperson or Member.

*Explanation.*— For the purposes of this section,—

(i) “employment under the Central Government or the State Government” includes employment under any local or other authority within the territory of India or under the control of the Central Government or State Government or under any corporation or company or society owned or controlled by such Government;

(ii) “commercial employment” means employment in any capacity under, or agency of, a person engaged in trading, commercial, industrial or financial business in the field of coal and includes also a director of a company or partner of a firm or setting up practice either independently or as partner of a firm or as an advisor or a consultant.

Chairperson and Members deemed to retire from service.

**11.** (1) A person in the service of the Central Government, a State Government or any undertaking, corporation or company owned or controlled by the Central Government or a State Government or from any other non-Governmental organisation or corporate body shall resign or retire from such service before joining the Authority as the Chairperson or other Member, as the case may be.

(2) A person who, immediately before the date of assuming office as the Chairperson or a Member, was in the service of Government, shall be deemed to have retired from service on the date on which he enters upon office as such Chairperson or Member but his subsequent service as the Chairperson or a Member shall be reckoned as continuing approved service counting for pension in service to which he belonged.

Prohibition of acting as arbitrator.

**12.** No person, while holding office as Chairperson or a Member, shall act as an arbitrator in any matter.

Prohibition of practice.

**13.** On ceasing to hold office, the Chairperson or a Member shall not appear, act or plead before the Appellate Tribunal.

Removal of Chairperson or Members.

**14.** (1) The Central Government may remove from office the Chairperson or a Member, who—

(a) has been adjudged as insolvent; or

(b) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or

(c) has become physically or mentally incapable of acting as Chairperson or a Member; or

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions as Chairperson or a Member; or

(e) has so abused his position as to render his continuance in office prejudicial to the public interest; or

(f) acts as an arbitrator in any matter; or

(g) has been guilty of proved misbehaviour:

Provided that no Chairperson or Member shall be removed from office under clause (d) or clause (e) or clause (f) or clause (g) unless the Central Government, after holding an inquiry by any person appointed or authority constituted for the purpose and in accordance with such procedure as may be prescribed in this behalf, is satisfied that such person ought, on such ground or grounds, to be removed.

(2) The Central Government may, in consultation with the Chairperson of the Appellate Tribunal, suspend from office the Chairperson or a Member against whom an inquiry has to be held until the Central Government has passed an order on receipt of the report of the inquiry authority.

Meetings of Authority.

**15.** (1) The Authority shall meet at such times and places, and shall observe such procedure in regard to the transaction of business at its meetings (including the quorum at such meetings) as may be specified by regulations.

(2) The Chairperson or, if he is unable to attend a meeting of the Authority, the senior-most Member present in the meeting, shall preside over the meeting.

(3) All questions which come up before any meeting of the Authority shall be decided by a majority of the Members present and voting, and in the event of an equality of votes, the Chairperson or in his absence, the person presiding, shall have a second or casting vote.

(4) All orders and decisions of the Authority shall be authenticated by the Secretary of the Authority.

**16.** No act or proceeding of the Authority shall be invalid merely by reason of—

(a) any vacancy in, or any defect in, the constitution of the Authority; or

(b) any defect in the appointment of a person acting as the Chairperson or a Member of the Authority; or

(c) any irregularity in the procedure of the Authority not affecting the merits of the case.

Vacancies, etc., not to invalidate proceedings of Authority.

**17.** (1) The Central Government may, by notification, appoint a Secretary to exercise and perform such powers and duties, under the control of the Chairperson, as may be specified by regulations.

Officers and other employees of Authority.

(2) The Authority may, with the approval of the Central Government, determine the number, nature, categories and qualifications of officers and employees, required to assist the Authority in the discharge of its functions.

(3) The Authority may appoint other officers and employees as determined under sub-section (2), to assist the Authority in the efficient discharge of its functions.

(4) The salaries and allowances payable to, and other terms and conditions of service of, the Secretary, other officers and employees of the Authority shall be such as may be prescribed.

(5) The Authority, may appoint consultants required to assist the Authority in the discharge of its functions on such terms and conditions as may be specified by regulations.

(6) The Authority may, by a general or special order, in writing, delegate to any Member, Secretary, officer of the Authority or any other person subject to such conditions, if any, as may be laid down in the order, such of its powers and functions under this Act (except the power to make regulations under section 47) as it may deem necessary.

## CHAPTER IV

### FUNCTIONS AND POWERS OF THE AUTHORITY

**18.** (1) The Authority shall,—

Functions of Authority.

(a) specify by regulations methods of testing for declaration of grades or quality of coal;

(b) monitor and enforce closure of mines as per approved mine project plan towards closure of mine;

(c) ensure adherence of approved mining plan;

(d) specify the principles and methodologies for determination of price of raw coal, washed coal and any other by-product generated during the process of coal washing as per the provisions of Chapter II;

(e) call for information, record or other documents from the entities and publish statistics and other data in relation to the coal industry;

(f) specify by regulations procedure for automatic coal sampling and weighment;

(g) specify by regulations the standards of performance and norms of operational efficiency except in the area related to mines safety;

(h) adjudicate upon disputes between the parties under Chapter V;

(i) discharge such other functions as the Central Government may, for the purpose of carrying out the provisions of this Act, entrust to it.



(2) The Authority may advise the Central Government on all or any of the following, namely:—

(a) formulation of policies in coal sector, including allotment or earmarking of coal blocks for any purpose, through any mode, and coal linkage;

(b) promotion of competition, efficiency and economy in activities of the coal industry;

(c) promotion of investment in coal industry;

(d) development of various mining technologies, beneficiation methods to improve mining and conservation of coal resources;

(e) any other matter referred to the Authority by the Central Government:

Provided that if the Central Government having considered the advice of the Authority, comes to a *prima facie* conclusion that such advice cannot be accepted or needs modification, it shall refer the advice back to the Authority for its reconsideration, and the Authority may within fifteen days from the date of receipt of such reference, forward to the Central Government its advice after reconsidering the reference made by the Central Government and after receipt of further advice, if any, the Central Government shall take a final decision.

Authority to perform certain functions relating to coal mines.

19. (1) The Authority shall specify by regulations, with the prior approval of the Central Government, the terms and conditions which shall apply to the holders of permission granted by the Central Government for opening of a coal mine, seam or section of a seam.

(2) The Authority may recommend for consideration of the Central Government suspension or cancellation of permission granted by the Central Government for opening a coal mine, seam or a section of a seam.

## CHAPTER V

### DISPUTE RESOLUTION

Power to resolve disputes.

20. (1) Save in cases where arbitration is provided for in the relevant agreements between entities or between an entity and any other person, as the case may be, the Authority shall adjudicate disputes relating to grading, quality, testing, pricing, supply and sampling of coal.

(2) Notwithstanding any agreement between entities or between an entity or any other person providing for settlement of disputes by arbitration, the entities or persons concerned may agree to submit any dispute relating to grading, quality, testing, pricing, supply and sampling of coal to the Authority for adjudication.

(3) Any consumer aggrieved by any act or omission of any entity relating to grading, quality, testing, pricing, supply and sampling of coal may apply to the Authority for adjudication.

(4) The disputes referred to in sub-section (1) or sub-section (2) or sub-section (3) shall be decided by a majority decision of the Authority.

(5) The Authority may, if it is satisfied that it is in the public interest to do so, on its own motion, and after recording the reasons in writing, examine any matter relating to pricing or supply which, in the opinion of the Authority, is in contravention of the principles and methodologies specified in the regulations made under sub-section (1) of section 3, and pass such order or direction (including any interim order or direction) as it may deem fit in the circumstances of the case:

Provided that the Authority shall, before examining any matter and passing any order or direction, provide an opportunity of being heard to the persons likely to be affected by such order or direction.



(6) Any order or direction made by the Authority under sub-section (4) shall remain in force for such period, not exceeding six months from the date of the order, as may be specified in such order or direction by the Authority.

5 of 1908. (7) The Authority shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits;

(d) any other matter which may be prescribed.

## CHAPTER VI

### APPEALS TO APPELLATE TRIBUNAL

36 of 2003. **21.** (1) Subject to the provisions of this Act, the Appellate Tribunal established under section 110 of the Electricity Act, 2003 shall be the Appellate Tribunal for the purposes of this Act and the said Appellate Tribunal shall exercise the jurisdiction, powers and authority conferred on it by or under this Act: Appellate Tribunal.

Provided that the Technical Member of the Appellate Tribunal for the purposes of this Act shall be called the Technical Member (Coal) and shall have the qualifications specified in sub-section (2) of section 22.

36 of 2003. (2) Notwithstanding anything contained in the Electricity Act, 2003, the Central Government may, for the purposes of this Act, appoint one or more Technical Members (Coal) on the Appellate Tribunal for Electricity or designate a Technical Member of the said Tribunal having the qualifications specified in sub-section (2) of section 22 and when a Technical Member (Coal) is appointed, he shall be in addition to the three other members appointed under the said Act.

**22.** (1) The Technical Member (Coal) shall be appointed from the panel prepared by the Selection Committee constituted under sub-section (1) of section 6. Technical Member (Coal).

(2) A person shall not be qualified for appointment as a Technical Member (Coal) of the Appellate Tribunal unless he—

(i) is, or has been, a Secretary for at least one year in the Ministry or Department of the Central Government having adequate experience in coal sector; or

(ii) is a person of ability and standing, having adequate knowledge or experience in dealing with matters relating to mining, industry, commerce or administration.

**23.** The term of office, salaries and allowances payable to and the other terms and conditions of service of the Technical Member (Coal) shall be the same as applicable to the other members of the Appellate Tribunal. Terms and conditions of service of Technical Member (Coal).

**24.** (1) Any party to the dispute aggrieved by any direction or order made by the Authority may prefer an appeal to the Appellate Tribunal. Appeals to Appellate Tribunal.

(2) Every appeal under sub-section (1) shall be preferred within a period of forty-five days from the date on which a copy of the direction or order made by the Authority is received by the entity or the aggrieved person and it shall be in such form, verified in such manner and be accompanied by such fee as may be prescribed:

Provided that the Appellate Tribunal may entertain any appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

(3) On receipt of an appeal under sub-section (1), the Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit.

(4) The Appellate Tribunal shall send a copy of every order made by it to the parties to the appeal and to the Authority.

(5) The appeal preferred under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within one hundred and eighty days from the date of receipt of appeal:

Provided that where any such appeal could not be disposed of within the said period of one hundred and eighty days, the Appellate Tribunal shall record its reasons in writing for not disposing of the appeal within that period.

(6) The Appellate Tribunal may, for the purpose of examining the legality or propriety or correctness of any direction or order of the Authority referred to in the appeal preferred under sub-section (1), on its own motion or otherwise, call for the records relevant to disposing of such appeal and make such orders as it thinks fit.

Procedure and powers of Appellate Tribunal.

**25.** The provisions of sections 112, 120 to 124 (both inclusive) of the Electricity Act, 2003 shall, *mutatis mutandis*, apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Electricity Act, 2003.

36 of 2003.

Right to legal representation.

**26.** The applicant or appellant may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Appellate Tribunal.

*Explanation.*—For the purposes of this section,—

(a) “chartered accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

38 of 1949.

(b) “company secretary” means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

56 of 1980.

(c) “cost accountant” means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

23 of 1959.

(d) “legal practitioner” means an advocate, vakil or an attorney of any High Court, and includes a pleader in practice.

Power of Appellate Tribunal to make rules.

**27.** The Appellate Tribunal may, by notification, make rules consistent with the provisions of this Act as to the conduct and procedure in respect of all proceedings before it under this Act.

Orders passed by Appellate Tribunal to be executable as decree.

**28.** (1) Every order made by the Appellate Tribunal under this Act shall be executable by the Appellate Tribunal as a decree of a civil court, and for this purpose, the Appellate Tribunal shall have all the powers of a civil court.

(2) Notwithstanding anything contained in sub-section (1), the Appellate Tribunal may transmit any order made by it to a civil court having jurisdiction and such civil court shall execute the order as if it were a decree made by that court.

5 of 1908.

**29.** (1) Notwithstanding anything contained in the Code of Civil Procedure, 1908 or in any other law for the time being in force, an appeal shall lie against any order, not being an interlocutory order, of the Appellate Tribunal to the Supreme Court on one or more of the grounds specified in section 100 of that Code.

Appeal to Supreme Court.

(2) No appeal shall lie against any decision or order made by the Appellate Tribunal with the consent of the parties.

(3) Every appeal under this section shall be preferred within a period of ninety days from the date of the decision or order appealed against:

Provided that the Supreme Court may entertain the appeal after the expiry of the said period of ninety days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.

## CHAPTER VII

### FINANCE, ACCOUNTS AND AUDIT

**30.** The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Authority grants of such sums of money as the Central Government may think fit for being utilised for the purpose of this Act.

Grants by Central Government.

**31.** (1) There shall be constituted a Fund, in such manner as may be prescribed, to be called the Coal Regulatory Authority Fund and the following shall be credited thereto—

Fund.

(a) all grants, fees and charges received by the Authority under this Act; and

(b) all sums received by the Authority from such other sources as may be approved by the Central Government.

(2) The Fund shall be applied in meeting—

(a) the salaries and allowances payable to the Chairperson and other Members and the administrative expenses including the salaries, allowances and pensions payable to the officers and employees of the Authority;

(b) the other expenses of the Authority in connection with the discharge of its functions and for the purposes of this Act.

**32.** (1) The Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

Accounts and audit.

(2) The accounts of the Authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be decided by him and any expenditure incurred in connection with such audit shall be payable by the Authority to the Comptroller and Auditor-General of India.

*Explanation.*—For the removal of doubts, it is hereby declared that the decisions of the Authority taken in the discharge of its functions under this Act, being matters appealable to the Appellate Tribunal, shall not be subject to audit under this section.

(3) The Comptroller and Auditor-General of India or any other person appointed by him in connection with the audit of the accounts of the Authority shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and inspection of offices of the Authority.

(4) The accounts of the Authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

Annual report  
and its laying  
before  
Parliament.

**33.** (1) The Authority shall prepare once every year in such form and at such time as may be prescribed, an annual report giving a summary of its activities including information relating to the proceedings and policies during the previous year and such report shall also contain statements of annual accounts of the Authority.

(2) A copy of the report shall be forwarded to the Central Government and the Central Government shall cause such report to be laid, as soon as may be after it is received, before each House of Parliament.

## CHAPTER VIII

### POWER OF CENTRAL GOVERNMENT

Power of  
Central  
Government  
to issue  
directions.

**34.** (1) The Central Government may, from time to time, by writing issue to the Authority such directions as it may think necessary in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order or for promoting energy efficiency.

(2) Without prejudice to the foregoing provision, the Central Government may, if it deems necessary or expedient so to do in public interest or for maintaining or increasing supplies of coal or for securing its equitable distribution and ensuring its adequate availability, issue policy directives to the Authority in writing and such policy directives shall be binding upon the Authority:

Provided that no such directive shall relate to any day-to-day affairs of the Authority:

Provided further that the Authority shall, as far as practicable, be given an opportunity of expressing its views before any directive is issued under this sub-section.

(3) The decision of the Central Government on whether a question is one of policy or not shall be final.

(4) Every directive issued by the Central Government shall be laid before each House of Parliament while it is in session.

## CHAPTER IX

### OFFENCES AND PUNISHMENT

Punishment  
for  
contravention  
of directions  
of Authority.

**35.** If any entity fails to comply with any rules or regulations made under this Act or any direction or order of the Authority, such person shall be punishable with fine which may extend to twenty-five crore rupees and in case of continuing contravention with additional fine which may extend to ten lakh rupees for every day during which the contravention continues.

Penalty for  
wilful failure  
to comply  
with orders of  
Appellate  
Tribunal.

**36.** If any entity wilfully fails to comply with the order of the Appellate Tribunal, he shall be punishable with fine which may extend to twenty-five crore rupees and in case of a second or subsequent offence with fine which may extend to thirty crore rupees and in the case of continuing contravention with additional fine which may extend to twenty lakh rupees for every day during which such default continues.

Offences by  
companies.

**37.** (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*— For the purpose of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

## CHAPTER X

### MISCELLANEOUS

**38.** (1) The Authority shall maintain a data bank and information system relating to activities of entities in such form and manner as may be specified by regulations.

Maintenance of data bank and information.

(2) The Authority shall have power to verify the data supplied by the entities and appoint any person or persons for the purpose and take such measures as it may consider necessary.

**39.** (1) Every entity shall—

Obligations of entities.

(a) maintain such documentary records as may be specified by regulations;

(b) allow inspection of such facilities and documentary records, as may be specified by regulations.

(2) The Authority may call for any information from any entity including information which is considered necessary for ensuring transparency or ascertaining true ownership of the entity.

(3) The Authority or any officer authorised by the Authority shall have all the powers of an inspecting officer as provided under section 209A of the Companies Act, 1956 to inspect and obtain information, wherever necessary, from the entities.

1 of 1956.

(4) It shall be the duty of every entity to carry out the directions of the Authority given under this section.

(5) The Authority shall maintain confidentiality in respect of any information and record received by it from the entities and shall not disclose information contained therein to any person or authority except on the grounds of public interest.

**40.** The Authority shall furnish to the Central Government at such time and in such form and manner, such returns and statements and such particulars in regard to any matter in connection with proposed or existing activities under this Act, as may be prescribed.

Furnishing of returns, etc., to Central Government.

**41.** The Chairperson, Members, Secretary, officers and other employees of the Authority and Chairperson, Member and Officers and other employees of the Appellate Tribunal shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code.

Chairperson, Members, etc., to be public servants.

45 of 1860.

**42.** No suit, prosecution or other legal proceeding shall lie against the Central Government, Authority or Appellate Tribunal or any officer of the Central Government or Chairperson, Member, Officer or other employee of the Authority or Technical Member (Coal) of the Appellate Tribunal for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.

Protection of action taken in good faith.

Civil courts  
not to have  
jurisdiction.

**43.** No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Authority or the Appellate Tribunal is empowered by or under this Act to determine, and no injunction shall be granted by any court or other Authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

Cognizance of  
certain  
offences.

**44.** (1) No court shall take cognizance of any offence punishable under Chapter IX save on a complaint made by the Authority or by any investigating agency directed by the Central Government.

(2) No court inferior to that of a Chief Metropolitan Magistrate or of a Chief Judicial Magistrate shall try any offence punishable under Chapter IX.

(3) Every offence punishable under Chapter IX shall be cognizable.

Provisions of  
this Act to be  
in addition to  
and not in  
derogation of  
other laws.

**45.** The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force, relating to safety in mines, forests and environment.

Power of  
Central  
Government  
to make rules.

**46.** (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the salaries and allowances payable to and the other terms and conditions of service of the Chairperson and the other Members under sub-section (3) of section 7;

(b) the manner in which and authority before which the oath is to be taken under sub-section (4) of section 7;

(c) the procedure of holding inquiry under proviso to sub-section (1) of section 14;

(d) the salaries and allowances payable to and the other terms and conditions of service of the Secretary, other officers and employees of the Authority, under sub-section (4) of section 17;

(e) the form of, manner of verification of and fee for, appeal under sub-section (2) of section 24;

(f) manner in which the Fund shall be constituted under section 31;

(g) the form in which the annual statement of accounts of the Authority shall be maintained under sub-section (1) of section 32;

(h) the form in which and the time at which the annual report of the Authority shall be prepared under sub-section (1) of section 33;

(i) the time at which and the form and manner in which returns and statements shall be furnished by the Authority to the Central Government under section 40.

Power of  
Authority to  
make  
regulations.

**47.** (1) The Authority may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the principles and methodologies for determination of price under sub-section (1) of section 3;

(b) the time and places of meetings of the Authority and the procedure (including quorum necessary for the transaction of business) to be followed at such meetings under sub-section (1) of section 15;



- (c) the powers and duties of the Secretary under sub-section (1) of section 17;
- (d) the terms and conditions of the consultants appointed under sub-section (5) of section 17;
- (e) methods of testing for declaration of grades or quality of coal under clause (a) of sub-section (1) of section 18;
- (f) the procedure for coal sampling and weighment under clause (f) of sub-section (1) of section 18;
- (g) the standards of performance and norms of operational efficiency under clause (g) of sub-section (1) of section 18;
- (h) the terms and conditions which shall apply to holders of permission under sub-section (1) of section 19;
- (i) the form and manner of maintaining data bank and information system by the Authority under sub-section (1) of section 38;
- (j) maintenance of documentary records by an entity, under clause (a) of sub-section (1) of section 39;
- (k) facilities and documentary records to be inspected under clause (b) of sub-section (1) of section 39.

**48.** Every rule made by the Central Government and every regulation made by the Authority under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

Rules and regulations to be laid before Parliament.

**49. (1)** If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as may appear to be necessary for removing the difficulty:

Power to remove difficulties.

Provided that no order shall be made under this section after the expiry of two years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.



## STATEMENT OF OBJECTS AND REASONS

The Integrated Energy Policy brought out by the Planning Commission, Working Group on Coal for XI plan and the Expert Committee on Road Map for Coal sector Reforms had recommended for an independent regulator for the coal sector to make India a long-term player in the international market for coal. It was felt that the coal sector is characterised by a structure of near monopoly producers and regulated by agencies which are either very closely associated with the Government and the monopoly producers to command full confidence of consumers and private investors, or too general to operate with necessary degree of expertise.

2. Keeping in view the above, a need was felt for the establishment of an independent Regulatory Authority for effective monitoring and regulating the coal sector operations. The objectives to set up the Coal Regulatory Authority are:

- (i) to oversee the compliance with the approved mining plan and to suggest terms and conditions for mining to ensure conservation of coal and observance of best practices along with monitoring of mine closure plan;
- (ii) to put in place regulation that will be a counter to the practices and methods of a monopolistic producer of coal;
- (iii) to examine that the coal supply meets certain standards, including the required calorific value;
- (iv) to collect information and publish statistics and other data relating to the coal sector;
- (v) to ensure transparency in fixing of price by the monopoly Coal Producer;
- (vi) redressal of the complaints between producers and consumers and also grievances of the consumers.

3. The Coal Regulatory Authority Bill, 2013 provides for establishment of the Coal Regulatory Authority comprising of a Chairperson and four other Members, namely, Legal, Technical, Finance and Consumer Interest of which any one will be designated to look after the work of administration. Major functions of the Coal Regulatory Authority, *inter alia*, are—

- (a) to specify by regulation methods of testing for declaration of grades or quality of coal;
- (b) to monitor and enforce closure of mines as per approved mine project plan towards closure of mine;
- (c) to ensure adherence of approved mining plans;
- (d) to specify the principles and methodology for determination of price of raw coal and washed coal or any other by-product generated during the process of washing;
- (e) to call for information, record or other documents from the entities and publish statistics and other data in relation to the coal industry;
- (f) to specify the standards of performance and norms of operational efficiency except in the area related to mines safety;
- (g) to specify procedure for automatic coal sampling and weighment.

4. The Bill provides for creation of a Fund called “The Coal Regulatory Authority Fund”, wherein all grants, fees, charges received by the authority shall be credited. However, start-up funding will be provided by the Government.

5.The Bill further provides that the Appellate Tribunal for Electricity already established under the Electricity Act, 2003 shall act as Appellate Tribunal for the appeals against the decisions of the Coal Regulatory Authority, by adding one more Technical Member (Coal) in the said Appellate Tribunal.

6.The Bill also provides for a dispute resolution mechanism for resolving disputes between entities or between an entity and any other person relating to grading, quality, testing, pricing, supply and sampling of coal.

7.The Bill seeks to achieve the above objects.

SRIPRAKASH JAISWAL.

NEW DELHI;  
*The 3rd September, 2013.*

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**PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF  
THE CONSTITUTION OF INDIA**

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**[Copy of letter No. 13011/4/2007-CA-II (Vol.V) (Pt.II), dated 3rd December, 2013  
from Shri Sriprakash Jaiswal, Minister of Coal to the Secretary-General, Lok Sabha]**

The President, having been informed of the subject matter of the Coal Regulatory Authority Bill, 2013, recommends the introduction of the Bill in Lok Sabha under article 117(1) and consideration under article 117(3) of the Constitution.

*Notes on clauses*

*Clause 1.*—This clause provides for the short title and commencement of the proposed legislation.

*Clause 2.*— This clause defines various words and expressions used in the proposed legislation which, *inter alia*, include – “Appellate Tribunal”, “Authority”, “Chairperson”, “captive mine”, “coal mine”, “mine closure plan”, “mining lease”, “mining operations”, etc.

*Clause 3.*— This clause seeks to provide that the Authority shall, subject to the policy guidelines issued by the Central Government in this behalf, specify by regulations the principles and methodologies for determination of price of raw coal and washed coal and any other by-product generated during the process of washing of coal. This clause also seeks to provide that the individual coal producers shall, in accordance with the principles and methodologies as specified by the Authority in sub-clause (1), determine the price of raw coal and washed coal and any other by-product generated during the process of washing of coal.

*Clause 4.*— This clause provides for the establishment of an Authority to be called the Coal Regulatory Authority. This clause further provides that the Authority shall consist of a Chairperson and four Members, namely—(a) one Member (Legal), (b) one Member (Technical), (c) one Member (Finance) and (d) one Member (consumer interest).

*Clause 5.*— This clause seeks to provide for the qualifications for appointment of the Chairperson and Members of the Authority.

*Clause 6.*—This clause provides for the constitution of a Selection Committee by the Central Government for the purpose of selecting the Chairperson and Members of the Authority and for preparing a panel of persons to be considered for appointment as Technical Member of the Appellate Tribunal.

*Clause 7.*— This clause seeks to provide for the term of office and conditions of service of the Chairperson and Members of the Authority. This clause also seeks to provide that the Chairperson and every Member shall, before entering upon his office, make and subscribe to an oath of office and secrecy.

*Clause 8.*— This clause provides for the powers and functions of the Authority.

*Clause 9.*— This clause seeks to provide the provisions regarding the resignation by the Chairperson and Members of the Authority.

*Clause 10.*—This clause provides for the restriction on employment after cessation of office as Chairperson or Member of the Authority.

*Clause 11.*—This clause provides that a person in the service of the Central Government, a State Government or any undertaking, corporation or company owned or controlled by the Central Government or a State Government or from any other non-Governmental organisation or corporate body shall resign or retire from such service before joining the Authority as the Chairperson or other Member as the case may be. This clause further provides that a person who, immediately before the date of assuming office as the Chairperson or a Member, was in the service of Government, shall be deemed to have retired from service on the date on which he enters upon office as such Chairperson or Member but his subsequent service as the Chairperson or a Member shall be reckoned as continuing approved service counting for pension in service to which he belonged.

*Clause 12.*—This clause seeks to provide that no person, while holding office as Chairperson or Member, shall act as an arbitrator in any matter.

*Clause 13.*— This clause provides that on ceasing to hold office, the Chairperson or a Member shall not appear, act or plead before the Appellate Tribunal.

*Clause 14.*— This clause provides provisions regarding the removal of the Chairperson or a Member of the Authority from office. This clause also contains the provisions regarding the suspension from office of the Chairperson or a Member of the Authority.

*Clause 15.*— This clause contains provisions regarding the meetings of the Authority (including the quorum at such meetings).

*Clause 16.*— This clause provides that vacancies, etc., shall not invalidate the proceedings of the Authority.

*Clause 17.*— This clause makes provisions for the officers and other employees of the Authority including their salaries and allowances and other terms and conditions of service. This clause also provides the provisions regarding the delegation by the Authority of its powers and functions to any Member, Secretary, officer of the Authority or any other person.

*Clause 18.*— This clause provides for the functions of the Authority.

*Clause 19.* — This clause provides that the Authority, with the prior approval of the Central Government, shall specify the terms and conditions which shall apply to the holders of permission granted by the Central Government for opening of a coal mine, seam or section of a seam.

*Clause 20.*— This clause contains provisions regarding the adjudication of disputes by the Authority, relating to grading, quality, testing, pricing, supply and sampling of coal.

*Clause 21.*— This clause provides that subject to the provisions of the proposed legislation, the Appellate Tribunal established under section 110 of the Electricity Act, 2003 shall be the Appellate Tribunal for the purposes of the proposed legislation and the said Appellate Tribunal shall exercise the jurisdiction, powers and authority conferred on it by or under the proposed legislation. However the Technical Member of the Appellate Tribunal for the purposes of the proposed legislation shall be called the Technical Member (Coal) and shall have the qualifications specified in sub-clause (2) of clause 22.

*Clause 22.*— This clause provides that the Technical Member (Coal) shall be appointed from the panel prepared by the Search Committee constituted under sub-clause (1) of clause 6. This clause further provides the qualification for appointment of the said Member.

*Clause 23.*— This clause seeks to provide for the terms and conditions of service of the Technical Member (Coal).

*Clause 24.*— This clause contains provisions regarding appeals to the Appellate Tribunal.

*Clause 25.*— This clause seeks to provide for the procedure and powers of the Appellate Tribunal.

*Clause 26.*— This clause contains provisions regarding the right to legal representation. It provides that the applicant or appellant may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Appellate Tribunal.

*Clause 27.*— This clause provides for the power of the Appellate Tribunal to make rules, consistent with the provisions of the proposed legislation, regarding the conduct and procedure in respect of the proceedings before it.

*Clause 28.*— This clause seeks to provide that every order made by the Appellate Tribunal under the proposed legislation shall be executable by it as a decree of a civil court.

*Clause 29.*— This clause provides provisions regarding appeal to the Supreme Court against the orders passed by the Appellate Tribunal.

*Clause 30.*— This clause provides that the Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Authority grants of such sums of money as the Central Government may think fit for being utilised for the purpose of the proposed legislation.

*Clause 31.*— This clause seeks to provide for the constitution of a Fund to be called the Coal Regulatory Authority Fund.

*Clause 32.*— This clause provides that the Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India. This clause further provides that the accounts of the Authority shall be audited by the Comptroller and Auditor-General of India. This clause also provides that the accounts of the Authority certified by the Comptroller and Auditor-General of India together with the audit report, shall be laid before each House of Parliament by the Central Government.

*Clause 33.*—This clause seeks to provide that the Authority shall prepare every year an annual report also containing statements of its annual accounts. This clause further provides that a copy of the report shall be forwarded to the Central Government who shall cause the same to be laid before each House of Parliament.

*Clause 34.*—This clause provides for the power of the Central Government to issue directions to the Authority. This clause further provides that every directive issued by the Central Government shall be laid before each House of Parliament.

*Clause 35.*— This clause seeks to provide for the punishment for contravention of the directions of the Authority.

*Clause 36.*— This clause provides for the penalty for wilful failure to comply with the orders of the Appellate Tribunal.

*Clause 37.*— This clause contains provisions regarding offences by companies.

*Clause 38.*— This clause provides that the Authority shall maintain a data bank and information system relating to activities of entities in such form and manner as may be specified by regulations. This clause further provides that the Authority shall have power to verify the data supplied by the entities and appoint any person or persons for the purpose and take such measures as it may consider necessary.

*Clause 39.*— This clause provides for the obligations of the entities.

*Clause 40.*— This clause provides for furnishing of returns, statements and other particulars to Central Government by the Authority.

*Clause 41.*— This clause provides that the Chairperson, Members, Secretary, Officers and other employees of the Authority and Chairperson, Members, Officers and other employees of the Appellate Tribunal shall be deemed to be public servants.

*Clause 42.*— This clause provides for the protection of action taken in good faith by the Central Government, Authority or Appellate Tribunal or any officer of the Central Government or the Chairperson, Member, Officer or other employee of the Authority or Technical Member (Coal) of the Appellate Tribunal.

*Clause 43.*— This clause provides that no civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Authority or the Appellate Tribunal is empowered by or under the proposed legislation to determine.

*Clause 44.*— This clause provides that no court shall take cognizance of any offence punishable under Chapter IX save on a complaint made by the Authority or by any investigating agency directed by the Central Government. This clause further provides that no court inferior to that of a Chief Metropolitan Magistrate or of a Chief Judicial Magistrate shall try any offence punishable under Chapter IX. This clause also provides that every offence punishable under Chapter IX shall be cognizable.

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*Clause 45.*— This clause seeks to provide that provisions of the proposed legislation shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force, relating to safety in mines, forests and environment.

*Clause 46.*— This clause empowers the Central Government to make rules for carrying out the provisions of the proposed legislation.

*Clause 47.*— This clause seeks to empower the Authority to make regulations.

*Clause 48.*— This clause lays down that the rules and regulations made under the proposed legislation shall be laid before each House of Parliament.

*Clause 49.*— This clause provides that if any difficulty arises in giving effect to the provisions of the proposed legislation, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of the proposed legislation, as may appear to be necessary for removing the difficulty. However, no order shall be made after the expiry of two years from the date of commencement of the proposed legislation. This clause further provides that every order made under this clause shall be laid, as soon as may be after it is made, before each House of Parliament.

## FINANCIAL MEMORANDUM

Clause 30 of the Bill provides that the Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Authority grants of such sums of money as the Central Government may think fit for being utilised for the purpose for the proposed legislation.

2. Sub-clause (1) of clause 31 of the Bill provides for the constitution of a Fund to be called the Coal Regulatory Authority Fund wherein shall be credited— (a) all grants, fees and charges received by the Authority under the proposed legislation; and (b) all sums received by the Authority from such other sources as may be approved by the Central Government. Sub-clause (2) of clause 31 of the Bill provides that the Fund shall be applied in meeting— (a) the salaries and allowances payable to the Chairperson and other Members and the administrative expenses including the salaries, allowances and pensions payable to the officers and employees of the Authority; (b) the other expenses of the authority in connection with the discharge of its functions and for the purposes of the proposed legislation.



## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 46 of the Bill empowers the Central Government to make rules to carry out the provisions of the proposed legislation. Sub-clause (2) of this clause enumerates the matters with respect to which rules may be made under this clause. These matters, *inter alia*, relate to — (a) the salaries and allowances payable to and the other terms and conditions of service of the Chairperson and the other Members under sub-clause (3) of clause 7; (b) the form in which and authority before which the oath is to be taken under sub-clause (4) of clause 7; (c) the procedure of holding inquiry under proviso to sub-clause (1) of clause 14; (d) the salaries and allowances payable to and the other terms and conditions of service of the Secretary, other Officers and employees of the Authority, under sub-clause (4) of clause 17; (e) the form of, manner of verification of and fee for, appeal under sub-section (2) of section 24; (f) manner in which the Fund shall be constituted under clause 31; (g) the form in which the annual statement of accounts of the Authority shall be maintained under sub-clause (1) of clause 32; (h) the form in which and the time at which the annual report of the Authority shall be prepared under sub-clause (1) of clause 33; (i) the time at which and the form and manner in which returns and statements shall be furnished by the Authority to the Central Government under clause 40.

2. Clause 47 of the Bill empowers the Authority to make regulations, consistent with the provisions of the proposed legislation and the rules made thereunder, to carry out the provisions of the proposed legislation. Sub-clause (2) of this clause enumerates the matters with respect to which regulations may be made under this clause. These matters, *inter alia*, relate to — (a) the principles and methodologies for determination of price under sub-clause (1) of clause 3; (b) the time and places of meetings of the Authority and the procedure (including quorum necessary for the transaction of business) to be followed at such meetings under sub-clause (1) of clause 15; (c) the powers and duties of the Secretary under sub-clause (1) of clause 17; (d) the terms and conditions of the consultants appointed under sub-clause (5) of clause 17; (e) methods of testing for declaration of grades or quality of coal under item (a) of sub-clause (1) of clause 18; (f) the procedure for coal sampling and weighment under item (f) of sub-clause (1) of clause 18; (g) the standards of performance and norms of operational efficiency under item (g) of sub-clause (1) of clause 18; (h) the terms and conditions which shall apply to holders of permission under sub-clause (1) of clause 19; (i) the form and manner of maintaining data bank and information system by the Authority under sub-clause (1) of clause 38; (j) maintenance of documentary records by an entity, under item (a) of sub-clause (1) of clause 39; (k) facilities and documentary records to be inspected under item (b) of sub-clause (1) of clause 39.

3. Clause 48 of the Bill provides that every rule made by the Central Government and every regulation made by the Authority under the proposed legislation shall be laid before each House of Parliament.

4. Clause 49 of the Bill empowers the Central Government to remove any difficulty which may arise in giving effect to the provisions of the proposed legislation, by order published in the Official Gazette, not inconsistent with the provisions of the proposed legislation. This clause requires that every such order shall be laid, as soon as may be after it is made, before each House of Parliament.

5. The matters in respect of which rules and regulations may be made and orders may be issued are generally matters of procedure and administrative details and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

S. BAL SHEKAR,  
*Secretary-General.*